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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
M0230080

August 11, 2010

Andre Zeitoun
Applied Minerals
P. O. Box 968
630 East Mullan Avenue, #D
Osburn, Idaho 83837

Subject: Tentative Approval to Commence Large Mining Operations, Applied Minerals,
Dragon Mine, M/023/0080, Juab County, Utah

Dear Mr. Mr. Zeitoun:

The Division has completed a review of your latest responses regarding your Notice of Intention to Commence Large Mining Operations (Notice). The Division approves the mine conditional upon the following items:

1. Please provide two copies of the complete and corrected plan. Both copies will be stamped approved, and one copy will be returned to you for your records.
2. A Reclamation Contract (Form MR-RC) and reclamation surety in the total amount of \$140,000.00, which is based on the surety estimate in the plan. The Division currently holds a \$31,500.00 surety, which needs to be increased by \$108,500.00. Please contact Penny Berry at 801-538-5291 or by e-mail at bondcoordinator@utah.gov to obtain the appropriate bond and reclamation contract forms.
3. If available, an electronic copy of the mine disturbed area in the original autocad, shape, or other file format. Please include the projection and datum information with this file. Contact danielsmith@utah.gov, (801) 538-5292 for further information or questions.

The Division received two comments about this project, both through the Public Lands Policy Coordination Office. These comments were:

The proposed project is in the source protection zones for the Santaquin City Springs; due consideration must be given to activities that could impair the quality of water at the spring. Recommend coordination of concerns with Santaquin City.



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Page 2 of 2
M/023/0080
August 11, 2010

Please contact Tim Andrus, Minor Source Section Manager, Utah Division of Air Quality at 801-536-4429 to estimate the emissions for the proposed mining operations and determine whether a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary of the Utah Division of Air Quality at 150 N. 1950 W., Salt Lake City, Utah 84116.

The Division contacted Santaquin City which said the mine was outside the protection zone for the springs.

Please contact the Division of Air Quality to determine whether a Notice of Intent is needed.

Thank you for your cooperation and patience in completing this permitting process. If you have any questions regarding this letter, please contact me at 801-538-5261 or Wayne Western at 801-538-5263.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dana Dean', with a long horizontal flourish extending to the right.

Dana Dean, P.E.
Associate Director of Mining

DD:whw:pb
cc: jerry_mansfield@blm.gov
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